

The Economic Weekly

A Journal of Current Economic and Political Affairs

(Established January 1949)

November 19, 1955

Volume VII—No. 47

Eight annas

EDITORIALS

- Deshmukh on the Draft Plan 1359
Diplomatic Bankruptcy 1360

WEEKLY NOTES

- US Loan for Tata Steel
Re-equipment in the Air
Planes on Paper Steel
Imports—Bombay's Future
— Only Solution Arabs and
Jews—Korea Employees'
Insurance 1362

Deshmukh on the Draft Plan

ACCORDING to Shri Chintaman Deshmukh, the draft Second Plan is expected to be placed before Parliament in the early part of the next budget session and finalised before the end of the financial year. For a document of such importance, the period allowed for discussion is so short that it makes one wonder whether presentation to Parliament is being viewed as a mere matter of routine unavoidable in the present system of Government. It is possible that the draft could have been tabled in the current session of Parliament had the States' Reorganisation business not intervened. But as things, have turned out, it has to wait until a clearer picture of the federating states emerges, so that the details may be re-shuffled to suit the revised State boundaries. There is, therefore, a very valid excuse for the delay in submitting the draft Plan.

FROM THE LONDON END

- The State of the French
Economy 1366

SPECIAL ARTICLES

- Colombo Plan: A Recherche
P K Basu 1367
Planning in India
Contributed 1371
Indianisation of Personnel in
Foreign Firms 1377

AROUND CALCUTTA MARKETS

- Features of the Boom 1379

AROUND BOMBAY MARKETS

- Steady Trend 1381

COMPANY NOTES

- IISCO Working Results im-
pressive Bombay Mutual
Electricity Undertakings 1382

CURRENT STATISTICS 1384

This would not have been a matter for grave concern if the details had been worked out and kept ready for revision. But from what Shri Deshmukh said the other day, it would seem that the Planners have not yet got to that position. Indeed, it is not even clear now whether the draft Plan to be presented to Parliament will be substantially the same as the Draft Plan-Frame that has been under discussion during the past six months or more. In this situation, it seems certain that the Planning Commission and the Government and the legislatures will find it a colossal task to complete their work according to schedule.

Shri Deshmukh indicated that the public sector's outlay under the Second Plan would be more than Rs 4,800 crores. Assuming that this covers both the investment; and 'current' expenditures set out in the Draft Plan-Frame, there is thus already an addition of over Rs. 500 crores to projected expenditure. The Finance Minister did not disclose why this addition has been made, and which sectors benefit from it. Maybe the Planning Commission has been persuaded by the Railways that the provision for Transport in the Plan-Frame was woefully inadequate for moving the additional output. Or the Commission might have considered it essential to stop up the outlay on "social overheads". Or, again, the acute shortage of steel now being experienced may have led to a revision of the steel target.

One may go on in this vein and speculate on the possible reasons for the enlarged outlay in the public sector. But there is little doubt that this increase is not due to any single item. Nor is it conceived as a means of raising the employment target. The Finance Minister apparently felt that during the Second Plan period, additional jobs created would be of the order of eight million as compared to the target of 10 to 12 million jobs in the Draft Plan-Frame. This must cause great surprise and even greater debate, since the targets for outlay and employment have tended to move in opposite directions. Does this mean that in the process of revision, emphasis has been mainly on the capital-intensive projects? Or is it merely a re-appraisal of the employment effect of the projects originally included in the Draft Plan-Frame? There is little doubt that Parliament will pay special attention to this aspect; and if the House feels that the employment target must not be reduced on any account, either the size or the pattern of investment or both may have to be altered again.

The Economic Weekly
Noble Chambers, Parsi Bazaar St.,
Fort, Bombay. Phone : 23406
Annual Subscription Rs 24.